



TO: Chief Elected Officials
WIB Chairs
WIB Directors
Fiscal Agents

FROM: Alan D. Degner
Commissioner

DATE: December 09, 2004

SUBJ: DWD Policy 2004-17
Participant Payment Policy

RE: Title I of the Workforce Investment Act of 1998

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Alan D. Degner, Commissioner

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Purpose

To provide Department of Workforce Development (DWD) policy and guidance concerning allowable payments to WIA Title I participants.

Rescission

DWD Policy 2002-19: Participant Payment Policy, dated March 28, 2003

Content

This policy covers payments to participants for supportive services and needs-related payments. It also provides guidance on work experience, on-the-job training compensation, incentives and stipends, and limitations on activities that impact wages of incumbent workers. These payments are described in detail for adults, dislocated workers, and youth.

I. Supportive Services – Adults and Dislocated Workers

Supportive services are services such as transportation, childcare, dependent care, housing, and needs-related payments that are necessary to enable an individual to participate in activities authorized under WIA Title I including during follow-up. Supportive services may be in-kind aid, cash assistance, or payable through arrangements with other agencies. [WIA Section 101(46)]

The provision of accurate information on the availability of supportive services and the referral process through the WorkOne delivery system is one of the core services that must be made available to adults and dislocated workers. [WIA Section 134(d)(2)(H) and WIA Regulations at 20 CFR Part 663.800]

Under WIA, supportive services may only be provided to adults and dislocated worker participants who are:

- Participating in staff-assisted core, intensive, training services or follow-up services and

- Unable to obtain supportive services through other programs providing such services. [WIA Section 134(e)(2)(A) and (B)]

WIBS must consult with their WorkOne partners and other community service providers to develop a policy on supportive services that are made available within the local area. The local policy must:

- Ensure coordination with all other available resources and services within the local area;
- Include referral procedures to services and how these services will be funded;
- Describe how supportive services will be funded when they are not otherwise available;
- Include an assessment process to determine the “needs” of the participant;
- Be reasonable in light of local conditions and the outcomes expected; and
- Ensure similarly situated participants receive similar supportive services.

In developing the local policy, WIBS must establish limits on the provision of supportive services or provide the WorkOne operator with the authority to establish such limits. Procedures may also be established to allow WorkOne operators to grant exceptions to the established limits. Limits shall include:

- Maximum amount of funding to a participant; and
- Maximum length of time for supportive services to be available to participants.

The provision and amount of any payment determined as necessary for participation must be recorded in the client’s file.

II. Needs-Related Payments – Adults and Dislocated Workers

Needs-related payments are allowable to adults and dislocated workers but not to youth. Needs-related payments provide financial assistance to participants for the purpose of enabling individuals to participate in training and are one of the supportive services authorized. [WIA Section 134(e)(3) and 20 CFR Part 663.815 of the WIA Regulations.] These payments may be provided for adults and dislocated workers who meet the following eligibility requirements:

Adults must:

- Be unemployed;
- Not qualified for, or have ceased to qualify for, unemployment compensation including Trade Readjustment Assistance [WIA 134(e)3(A)]; and
- Be enrolled in a program of training services under [WIA Section 134(d)(4)].

The local board must establish a written policy for the level of needs-related payments for adults.

Dislocated Workers must meet same eligibility requirements as adults and:

- Be enrolled in a program of training services under WIA Section 134(d)(4)(D) by the end of the 13th week after the most recent layoff that resulted in a determination of the worker's eligibility as a dislocated worker, or if later, by the end of the 8th week after the worker is informed that a short-term lay off will exceed six months.

The level of needs-related payments must not exceed the following for dislocated workers:

- For participants eligible for unemployment compensation as a result of the qualifying dislocation, the payment may not exceed the weekly benefit payment amount of unemployment compensation; or
- For participants who did not qualify for unemployment compensation as a result of the qualifying layoff, the weekly payment may not exceed the poverty level for an equivalent period. The weekly payment level must be adjusted to reflect changes in total family income as determined by WIB policies. [WIA Section 134(e)(3)(C) and 20 CFR Part 663.840 of the WIA Regulations]

Payments may be provided after enrollment in training but prior to its start at local discretion, but only if the training program will begin within 30 calendar days. DWD is also authorizing local areas to extend the 30-day period to address appropriate circumstances when the criteria is specified in local policy.

III. Work Experience – Adults and Dislocated Workers

Work experiences and internships are intensive services that may be provided to adults and dislocated workers. The need for the internship or work experience must be documented in the client's file. They are planned structured learning experiences that take place in a workplace for a limited period of time and may be paid or unpaid, as appropriate. A work experience or internship may be in the private for profit sector, the non-profit sector, or the public sector. Labor standards apply in any work experience or internship where an employee/employer relationship exists, as defined by the Fair Labor Standards Act, exists. [20 CFR Part 663.200]

IV. On-the-Job-Training – Adult and Dislocated Worker

WIA requires that individuals in on-the-job training or employed in activities under this title shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills. Such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in Section 6(a)(1) of the Fair Labor Standards Act or the applicable state or local minimum wage law. [WIA Section 181(a)(1)(A)]

V. Administrative Provisions

Allowances, earnings, and payments to individuals participating in programs under this title shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any federal or federally assisted program based on need other than as provided under the Social Security Act. [WIA Section 181(a)(2)]

WIA Title I funds must not be spent on the wages of incumbent employees during their participation in economic development activities provided through a statewide workforce investment system. [20 CFR Part 667.264(a)(1)]

VI. Supportive Services –Youth

Supportive services are one of the ten program elements as options available to youth participants. [WIA Section 129(c)(2) and 20 CFR Part 664.410] Supportive services are services that are necessary to enable an individual to participate in activities under WIA Title I. These may include:

- Linkages to community services;
- Transportation;
- Child care and dependent care;
- Housing assistance;
- Referrals to medical services; and
- Assistance with uniforms or other appropriate work attire and work-related tools, including such items as eyeglasses and protective eye gear.

Supportive services may be in-kind aid, cash assistance, or payable through arrangements with other agencies and may also be provided during follow-up. [WIA Section 101(46)]

Department of Workforce Development (DWD) requires WIBs to consult with WorkOne partners and other community service providers to develop a policy on supportive services that are made available within the local area. The policy must provide accurate information on the availability of supportive services and the referral process through the WorkOne delivery system. The local policy must:

- Ensure coordination of other available resources and services within the local area;
- Include referral procedures to services and how these services will be funded;
- Describe how supportive services will be provided if not otherwise available;
- Include an assessment process to determine the “needs” of the participant;
- Be reasonable in light of local conditions and the outcomes expected; and
- Ensure similarly situated participants receive similar supportive services.

In developing the local policy, WIBS must establish limits on the provision of supportive services or provide the WorkOne operator with the authority to establish such limits. Procedures may also be established to allow WorkOne operators to grant exceptions to the established limits. Limits shall include:

- Maximum amount of funding to a participant; and
- Maximum length of time for supportive services to be available to participants.

The provision and amount of any payment determined as necessary for participation must be recorded in the client's file. For each youth participant the WIB must:

- Provide an objective assessment including a review of academic and occupational skill levels, as well as the service needs of the youth, including supportive service needs;
- Develop an individual service strategy, including identifying an age-appropriate career goal and consideration of the assessment results; and
- Provide preparation for postsecondary educational opportunities, linkages between academic and occupational learning, preparation for employment, and effective connections to intermediary organizations that provide strong links to the job market and employers. [WIA Section 129(c)(1)(A)(B)(C)]

VII. Work Experience – Youth

Paid and unpaid work experiences, including internships and job shadowing, are one of the ten program elements that must be made available for youth. [20 CFR Part 664.410] Paid and unpaid work experiences for youth are planned structured learning experiences that take place in a workplace for a limited period of time. Work experience workplaces may be in the private for-profit sector; the non-profit sector; or the public sector. Work experiences are designed to enable youth to gain exposure to the working world and its requirements. Work experiences are appropriate and desirable activities for many youth throughout the year. Work experiences should help youth acquire the personal attributes, knowledge, and skills needed to obtain a job and advance in employment. The purpose is to provide the youth participant with the opportunities for career exploration and skill development. The employer may benefit from the activities performed by the youth but that is not the primary goal of the work experience activity. Work experience may be subsidized or unsubsidized and may include the following elements:

- Instruction in employability skills or generic workplace skills such as those identified by the Secretary's Commission on Achieving Necessary Skills (SCANS).
- Exposure to various aspects of an industry.
- Progressively more complex tasks.
- Internships and job shadowing.

- The integration of basic academic skills into work activities.
- Supported work, work adjustment, and other transition activities.
- Entrepreneurship.
- Service learning.
- Paid and unpaid community service. Other elements designed to achieve the goals of work experiences. [20 CFR Part 664.460]

VIII. Stipends and Incentives – Youth

Reasonable incentives and stipends are allowable expenditures under the WIA youth program, provided that the provision of an incentive or stipend is included in the participant's individual assessment and service strategy. WIBs should take into account the costs effectiveness of providing incentives and/or stipends based upon local youth funding levels and the capacity of the local youth program to provide a quality offering of the required youth program elements as well as incentives and/or stipends.

IX. Combinations - Youth

Youth can be paid for an entire day of work if at least 51% of the youth's time is spent in work experience with the rest of the day in some other type of allowable training. For example, a youth spends five hours/day in work experience and 3 hours/day in GED preparation. The youth can be paid for eight hours of work (includes paid work experience and incentive payment for GED preparation time).

X. On-the-Job Training – Youth

In most cases, on-the-job training is not an appropriate work experience activity for youth participants under age 18. Local program operators may choose, however, to use this service strategy for eligible youth when it is appropriate based on the needs identified by the objective assessment of an individual youth participant. [WIA Section 129(c)(2)(D) and 20 CFR Part 664.460(d) of the WIA Regulations]

WIA requires that individuals in on-the-job training or employed in activities under this title shall be compensated at the same rates, including periodic increases, as trainees or employees who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills. Such rates shall be in accordance with applicable law, but in no event less than the higher of the rate specified in Section 6(a)(1) of the Fair Labor Standards Act or the applicable state or local minimum wage law. [WIA Section 181(a)(1)(A)]

XI. Administrative Provisions – Youth

Allowances, earnings and payments to individuals participating in programs under this title shall not be considered as income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any federal or federally

assisted program based on need other than as provided under the Social Security Act.
[WIA Section 181(a)(2).]

Effective Date

December 15, 2004

Ending Date

October 15, 2006

Ownership

WIA Administration

Action

Local administrators are directed to develop local policy and administer participant payments under WIA within the parameters provided by this policy and applicable federal and state regulations.

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